

15Q - PENSION OBLIGATION BOND AMORTIZATION

Operational Summary

Description:

To record the use of the County's investment account held by the Orange County Retirement System (OCERS) for normal and unfunded accrued actuarial liability (UAAL) costs.

In 1994 taxable Pension Obligation Bonds were sold to finance the County's UAAL obligation. The County deposited \$318.3 million in an investment account held by OCERS. The investment account is a part of the OCERS investment pool and as such earns the same rate of return.

The investment account was initially used to make annual payments to satisfy the County's UAAL obligation according to a 15-year amortization schedule in lieu of County cash contributions; however, in 1996 the County and OCERS concluded an agreement by which the UAAL is amortized according to a 28-year schedule and the investment account is used to pay an annually declining portion of the County's normal cost obligation.

At a Glance:

Total FY 2005-2006 Actual Expenditure + Encumbrance:	11,173,397
Total Final FY 2006-2007	16,000,000
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- Use of the County's investment account in the Orange County Employees Retirement System to mitigate cash contributions for normal and unfunded accrued actuarial pension costs.

Budget Summary

Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾		Actual	
		As of 6/30/06	As of 6/30/06	Final Budget	Amount	Percent
Total Revenues	12,880,038	11,173,397	23,116,257	16,000,000	(7,116,257)	-30.78
Total Requirements	12,880,038	11,173,397	23,116,257	16,000,000	(7,116,257)	-30.78
Balance	0	0	0	0	0	0.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bond Amortization in the Appendix on page A187

15Q - Pension Obligation Bond Amortization

Summary of Final Budget by Revenue and Expense Category:

	FY 2004-2005		FY 2005-2006	FY 2005-2006	Change from FY 2005-2006		
			Budget	Actual Exp/Rev ⁽¹⁾	FY 2006-2007	Actual	
Revenues/Appropriations	Actual Exp/Rev		As of 6/30/06	As of 6/30/06	Final Budget	Amount	Percent
Revenue from Use of Money and Property	\$ 12,880,038	\$	11,173,397	\$ 23,116,257	\$ 12,000,000	\$ (11,116,257)	-48.09%
Total FBA	0		0	0	4,000,000	4,000,000	0.00
Total Revenues	12,880,038		11,173,397	23,116,257	16,000,000	(7,116,257)	-30.78
Other Charges	7,157,670		11,173,397	11,173,397	12,000,000	826,603	7.40
Reserves	5,722,368		0	11,942,860	4,000,000	(7,942,860)	-66.51
Total Requirements	12,880,038		11,173,397	23,116,257	16,000,000	(7,116,257)	-30.78
Balance	\$ 0	\$	0	\$ 0	\$ 0	\$ 0	0.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.